

Exhibit II

Fee Application for the period

July 1, 2009 through July 31, 2009

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

W. R. Grace & Co. et al.¹;

Debtors.

Chapter 11

Case No. 01-01139 (JKF)
Jointly Administered

Objection Deadline:

November 19, 2009 at 4:00 p.m.

Hearing date: To be scheduled only if objections
are timely filed and served.

NOTICE OF FILING OF MONTHLY FEE APPLICATION

To: (1) The Debtors; (2) Counsel to the Debtors; (3) The Office of the United States Trustee; (4) Counsel to the Official Committee of Asbestos Personal Injury Claimants; (5) Counsel to the Official Committee of Asbestos Property Damage Claimants; (6) Counsel to the Official Committee of Equity Holders; and (7) Counsel to the Debtors-in-Possession Lenders (8) the Fee Auditor:

Capstone Advisory Group, LLC ("Capstone"), financial advisors to the Official Committee of Unsecured Creditors of the above captioned debtor and debtors in possession in the above-captioned chapter 11 cases, filed and served its Sixty-Sixth Interim Application for Allowance of Compensation and for Services Rendered and Reimbursement of Expenses

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

Date Filed: 10/30/2009

Docket No: 23628

Incurred for the period from July 1, 2009 through July 31, 2009 (the “Monthly Fee Application”). Capstone is seeking compensation in the amount of \$85,726.80, representing 80% of \$107,158.50, which is the total amount of fees incurred, and reimbursement for actual and actual and necessary expenses in the amount of \$407.68.

Objections or responses to the Monthly Fee Application, if any, must be made in writing and filed with the United States Bankruptcy Court for the District of Delaware, Marine Midland Plaza, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801, on or before **November 19, 2009 at 4:00 p.m.**

At the same time you must also serve a copy of the objections or responses, if any, upon the following: (i) co-counsel for the Debtors, Theodore L. Freedman, Esquire, Kirkland & Ellis, Citigroup Center, 13 East 53rd Street, New York, New York 10022-4611 (fax number 212-446-4800), and James E. O’Neill, Esquire, Pachulski, Stang, Ziehl, Young & Jones P.C., 919 North Market Street, Suite 1600, P.O. Box 8705, Wilmington, Delaware 19899-8705 (Courier 19801) (fax number 302-652-4400), and Janet S. Baer, Esquire, The Law Offices of Janet S. Baer, P.C., 70 West Madison Street, Suite 2100, Chicago, Illinois 60602 (Fax number 312-641-2165); (ii) co-counsel to the Official Committee of Unsecured Creditors, Lewis Kruger, Esquire, Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038-4982 (fax number 212-806-6006), and Michael R. Lastowski, Esquire, Duane Morris LLP, 1100 N. Market Street, Suite 1200, Wilmington, Delaware 19801-1246 (fax number 302-657-4901); (iii) co-counsel to the Official Committee of Asbestos Property Damage Claimants, Scott L. Baena, Esquire, Blizin, Sumberg, Dunn, Baena, Price & Axelrod LLP, Wachovia Building, 200 South Biscayne Boulevard, Suite 2500, Miami, Florida 33131 (fax number 305-374-7593), and Michael B. Joseph, Esquire, Ferry & Joseph, P.A., 824 Market Street, Suite 904, P.O. Box 1351,

Wilmington, Delaware 19899 (fax number 302-575-1714); (iv) co-counsel to the Official Committee of Asbestos Personal Injury Claimants, Elihu Inselbuch, Esquire, Caplin & Drysdale, 399 Park Avenue, 36th Floor, New York, New York 10022 (fax number 212-644-6755) and Mark Hurford, Esquire, Campbell & Levine, LLC, 800 N. King Street, Suite 300, Wilmington, Delaware 19801 (fax number 302-426-9947); (v) co-counsel to the DIP Lender, J. Douglas Bacon, Esquire, Latham & Watkins, Sears Tower, Suite 5800, Chicago, Illinois 60606 (fax number 312-993-9767), and Neil B. Glassman, Esquire, The Bayard Firm, 222 Delaware Avenue, Suite 900, P.O. 25130, Wilmington, Delaware 19899 (fax number 302-658-6395); (vi) counsel to the Official Committee of Equity Holders, Thomas Moers Mayer, Esquire, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036 (fax number 212-715-8000), and Teresa K.D. Currier, Esquire, Saul Ewing LLP, 222 Delaware Avenue, Wilmington, Delaware 19801 (Fax number 302-421-6813); (vii) the Office of the United States Trustee, Attn: David Klauder, Esquire, 844 N. King Street, Wilmington, Delaware 19801 (fax number 302-573-6497); and (viii) the Fee Auditor, Stephen L. Bossay, Warren H. Smith and Associates, Republic Center, 325 N. St. Paul, Suite 1250, Dallas, TX 75201 (Fax number 214-722-0081).

Dated: October 30, 2009
Wilmington, DE

RESPECTFULLY SUBMITTED,

/s/ Richard W. Riley

Michael R. Lastowski, Esq. (DE I.D. No. 3892)

Richard W. Riley (DE I.D. No. 4052)

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Co-Counsel for the Official Committee of
Unsecured Creditors of W. R. Grace & Co., et al.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
W.R. GRACE & Co., <u>et al.</u> ,)	Case No. 01-01139 (JKF)
)	(Jointly Administered)
Debtors)	
_____)	

**SIXTY-SIXTH INTERIM APPLICATION OF CAPSTONE ADVISORY GROUP, LLC,
FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS,
FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM JULY 1, 2009 THROUGH JULY 31, 2009)**

Name of Applicant:	Capstone Advisory Group, LLC (formerly known as Capstone Corporate Recovery, LLC)
Authorized to Provide Professional Services to:	The Official Committee of Unsecured Creditors
Date of Retention:	June 8, 2004 (<u>nunc pro tunc</u> to February 4, 2004)
Period for which compensation and reimbursement is sought:	July 1, 2009 through July 31, 2009
Amount of Compensation sought as actual, reasonable and necessary (80% of \$107,158.50):	\$ 85,726.80
Amount of Expense Reimbursement sought as actual, reasonable and necessary (100%):	<u>407.68</u>
Total Amount Due:	\$ 86,134.48

Capstone replaced FTI Consulting, Inc. ("FTI") as financial advisors to the Official Committee of Unsecured Creditors, nunc pro tunc to February 4, 2004, so ordered by the Court on June 8, 2004.

The total time expended and included herein for the April, May, June 2009 monthly fee statement, as well as the 22nd Quarterly Fee Application is 6.6 hours, and corresponding compensation requested is \$1,656.00.

This is the Sixty-Sixth Interim Application filed by Capstone. Disclosure for the current period and prior periods is as follows:

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**ATTACHMENT A
TO FEE APPLICATION**

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
June 10, 2004	February 4, 2004 through February 29, 2004	\$94,882.00	\$3,932.07	\$75,905.60
June 10, 2004	March 1, 2004 through March 31, 2004	\$136,415.50	\$1,819.00	\$109,132.40
Totals First Quarterly	February 4, 2004 through March 31, 2004	\$231,297.50	\$5,751.07	\$185,038.00
June 12, 2004	April 1, 2004 through April 30, 2004	\$61,925.00	\$678.33	\$49,540.00
July 13, 2004	May 1, 2004 Through May 31, 2004	\$32,665.00	\$477.15	\$26,132.00
August 5, 2004	June 1, 2004 through June 30, 2004	\$106,470.50	\$1,119.63	\$85,176.40
Totals Second Quarterly	April 1, 2004 through June 30, 2004	\$201,060.50	\$2,275.11	\$160,848.40
August 31, 2004	July 1, 2004 through July 31, 2004	\$68,533.50	\$667.60	\$54,826.80
September 24, 2004	August 1, 2004 through August 31, 2004	\$99,215.50	\$1,341.49	\$79,372.40
October 28, 2004	September 1, 2004 through September 30, 2004	\$44,918.25	\$658.72	\$35,934.60
Totals Third Quarterly	July 1, 2004 through September 30, 2004	\$212,667.25	\$2,667.81	\$170,133.80

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(FOR THE PERIOD FROM JULY 1, 2009 THROUGH JULY 31, 2009)**

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
December 6, 2004	October 1, 2004 through October 31, 2004	\$57,592.50	229.77	\$46,074.00
December 22, 2004	November 1, 2004 through November 30, 2004	\$84,366.50	\$745.91	\$67,493.20
January 28, 2005	December 1, 2004 Through December 31, 2004	\$82,351.00	\$ 1,943.96	\$65,880.80
Totals Fourth Quarterly	October 1, 2004 through December 31, 2004	\$224,310.00	\$2,919.64	\$179,448.00
February 25, 2005	January 1, 2005 through January 31, 2005	\$69,477.00	\$276.18	\$55,581.60
March 29, 2005	February 1 through February 28, 2005	\$77,228.50	\$1,727.60	\$61,782.80
May 6, 2005	March 1, 2005 through March 31, 2005	\$126,012.00	\$ 494.94	\$100,809.60
Totals Fifth Quarterly	January 1, 2005 through March 31, 2005	\$272,717.50	\$2,498.72	\$218,174.00
June 3, 2005	April 1, 2005 through April 30, 2005	\$ 87,936.00	\$ 435.16	\$ 70,348.80
July 6, 2005	May 1, 2005 through May 31, 2005	\$119,435.00	\$1,275.00	\$ 95,548.00
July 15, 2005	June 1, 2005 through June 30, 2005	\$89,859.00	\$542.69	\$71,887.20

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(FOR THE PERIOD FROM JULY 1, 2009 THROUGH JULY 31, 2009)**

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
Totals Sixth Quarterly	April 1, 2005 through June 30, 2005	\$297,230.00	\$2,252.85	\$237,784.00
September 19, 2005	July 1, 2005 through July 31, 2005	\$90,014.50	\$621.03	\$72,011.60
October 7, 2005	August 1, 2005 through August 31, 2005	\$126,233.00	\$1,532.46	\$100,986.40
October 31, 2005	September 1, 2005 through September 30, 2005	75,983.50	\$482.03	\$60,786.80
Totals Seventh Quarterly	July 1, 2005 through September 30, 2005	\$292,231.00	\$2,635.52	\$233,784.80
December 16, 2005	October 1, 2005 through October 31, 2005	95,742.50	\$750.36	76,594.00
December 30, 2005	November 1, 2005 through November 30, 2005	\$118,062.00	\$1,119.74	\$94,449.60
February 9, 2006	December 1, 2005 through December 31, 2005	\$122,018.50	\$938.82	\$97,614.80
Totals Eighth Quarterly	October 1, 2005 through December 31, 2005	\$335,823.00	\$2,808.92	\$268,658.40
March 21, 2006	January 1, 2006 through January 31, 2006	\$85,745.00	\$631.01	\$68,596.00
April 20, 2006	February 1, 2006 through February 28, 2006	\$173,916.50	\$2,359.69	\$139,133.20

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Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
May 9, 2006	March 1 through March 31, 2006	\$141,040.50	\$1,017.99	\$112,832.40
Totals Ninth Quarterly	January 1, 2006 through March 31, 2006	\$400,702.00	\$4,008.69	\$320,561.60
May 23, 2006	April 1, 2006 through April 30, 2006	\$125,055.00	\$1,929.46	\$100,044.00
June 21, 2006	May 1, 2005 Through May 31, 2006	\$146,396.50	\$965.43	\$117,117.20
July 20, 2006	June 1, 2006 Through June 30, 2006	\$140,368.50	\$1,263.86	\$140,368.50
Totals Tenth Quarterly	April 1, 2006 through June 30, 2006	\$411,820.00	\$4,158.75	\$329,456.00
	Adjustment for July photocopies		\$(6.55)	
August 25, 2006	July 1, 2006 through July 31, 2006	\$102,449.00	\$566.51	\$ 81,959.20
October 2, 2006	August 1, 2006 Through August 31, 2006	\$111,154.00	\$505.01	\$88,923.20
November 13, 2006	September 1, 2006 through September 30, 2006	\$75,103.50	\$633.57	\$ 60,082.80
Totals Eleventh Quarterly	July 1, 2006 through September 30, 2006	\$288,706.50	\$1,698.54	\$230,965.20

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(FOR THE PERIOD FROM JULY 1, 2009 THROUGH JULY 31, 2009)**

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
December 20, 2006	October 1, 2006 Through October 31, 2006	\$63,155.50	\$206.40	\$50,524.40
January 22, 2007	November 1, 2006 Through November 30, 2006	\$98,985.50	\$809.09	\$79,997.40
March 20, 2007	December 1, 2006 Through December 31, 2006	\$59,630.50	\$381.70	\$47,704.40
Totals Twelfth Quarterly	October 1, 2006 through December 31, 2006	\$221,771.50	\$1,397.19	\$177,417.20
April 20, 2007	January 1, 2007 through January 31, 2007	\$55,703.00	\$ 166.00	\$44,562.40
April 20, 2007	February 1, 2007 through February 28, 2007	\$87,120.50	\$ 344.89	\$69,696.40
June 29, 2007	March 1, 2007 through March 31, 2007	\$119,047.50	\$472.38	\$95,238.00
Totals Thirteenth Quarterly	January 1, 2007 through March 31, 2007	\$261,871.00	\$983.27	\$209,496.80
June 29, 2007	April 1, 2007 through April 30, 2007	\$77,267.00	\$221.70	\$61,813.60
July 3, 2007	May 1, 2007 through May 31, 2007	\$101,181.00	\$838.49	\$80,944.80
August 31, 2007	June 1, 2007 through June 30, 2007	\$90,040.50	\$744.21	\$72,032.40
Totals Fourteenth Quarterly	April 1, 2007 Through June 30, 2007	\$268,488.50	\$1804.40	\$214,790.80

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(FOR THE PERIOD FROM JULY 1, 2009 THROUGH JULY 31, 2009)**

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
October 23, 2007	July 1, 2007 through July 31, 2007	\$78,971.00	\$636.29	\$63,176.80
October 23, 2007	August 1, 2007 through August 31, 2007	\$74,596.00	\$184.06	\$59,676.80
November 7, 2007	September 1, 2007 through September 30, 2007	\$78,887.50	\$396.82	\$63,110.00
Total Fifteenth Quarterly	July 1, 2007 through September 30, 2007	\$232,454.50	\$1217.17	\$185,963.60
January 23, 2008	October 1, 2007 through October 31, 2007	\$51,391.50	\$293.56	\$41,113.20
January 23, 2008	November 1, 2007 through November 30, 2007	\$82,993.00	\$407.99	\$66,394.40
February 7, 2008	December 1, 2007 through December 31, 2007	\$53,730.50	\$308.15	\$42,984.40
Totals Sixteenth Quarterly	October 1, 2007 Through December 31, 2007	\$188,115.00	\$1009.70	\$150,492.00
March 4, 2008	January 1, 2008 through January 31, 2008	\$62,899.50	\$174.14	\$50,319.60
April 14, 2008	February 1, 2008 through February 29, 2008	\$83,686.00	\$423.31	\$66,948.80
May 23, 2008	March 1, 2008 through March 31, 2008	\$88,842.50	\$442.15	\$64,674.00

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(FOR THE PERIOD FROM JULY 1, 2009 THROUGH JULY 31, 2009)**

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
Totals Seventeenth Quarterly	January 1, 2008 Through March 31, 2008	\$227,428.00	\$1,039.60	\$181,942.40
June 26, 2008	April 1, 2008 through April 30, 2008	\$ 93,943.50	\$325.30	\$ 75,154.80
July 10, 2008	May 1, 2008 through May 31, 2008	\$ 56,076.00	\$167.26	\$ 44,860.80
September 12, 2008	June 1, 2008 through June 30, 2008	\$ 63,873.50	\$491.33	\$ 51,098.80
Totals Eighteenth Quarterly	April 1, 2008 Through June 30, 2008	\$213,893.00	\$983.89	\$171,114.40
September 25, 2008	July 1, 2008 through July 31, 2008	\$ 57,490.50	\$210.86	\$ 45,992.40
October 17, 2008	August 1, 2008 through August 31, 2008	\$133,751.00	\$1,428.75	\$107,000.80
November 20, 2008	September 1, 2008 through September 30, 2008	\$113,184.00	\$969.07	\$90,547.20
Totals Nineteenth Quarterly	July 1, 2008 Through September 30, 2008	\$304,425.50	\$2,608.68	\$243,540.40
November 21, 2008	October 1, 2008 through October 31, 2008	\$99,906.00	\$334.18	\$79,924.80
February 2, 2009	November 1, 2008 through November 30, 2008	\$71,533.50	\$310.00	\$57,226.80
February 3, 2009	December 1, 2008 through December 31, 2008	\$50,297.00	\$305.01	\$ 40,237.60

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(FOR THE PERIOD FROM JULY 1, 2009 THROUGH JULY 31, 2009)**

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
Totals Twentieth Quarterly	October 1, 2008 through December 31, 2008	\$221,736.50	\$949.19	\$177,389.20
April 2, 2009	January 1, 2009 through January 31, 2009	\$51,710.50	\$167.65	\$41,368.40
April 2, 2009	February 1, 2009 through February 28, 2009	\$49,214.50	\$182.61	\$39,371.60
April 23, 2009	March 1, 2009 through March 31, 2009	\$80,353.50	\$338.04	\$64,282.80
Totals Twenty-First Quarterly	January 1, 2009 through March 31, 2009	\$181,278.50	\$688.30	\$145,022.80
June 3, 2009	April 1, 2009 through April 30, 2009	\$57,014.50	\$215.56	\$45,611.60
August 18, 2009	May 1, 2009 through May 31, 2009	\$77,884.00	\$241.67	\$62,307.20
August 18, 2009	June 1, 2009 through June 30, 2009	\$60,801.50	\$136.35	\$48,641.20
Totals Twenty-Second Quarterly	April 1, 2009 Through June 30, 2009	\$195,700.00	\$593.58	\$156,560.00
October 15, 2009	July 1, 2009 Through July 31, 2009	\$107,158.50	\$407.68	\$85,726.80

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ATTACHMENT B

1. Summary of Fees by Professional
2. Summary of Fees by Task Code
3. Detailed Task Descriptions
4. Summary of Expenses

W.R. Grace & Co.
Capstone Advisory Group, LLC
Summary of Fees by Professional
For the Period 7/1/09 through 7/31/09

Professional	Position	Billing Rate	Hours	Fees
B. Bingham	Executive Director	\$710	3.10	\$2,201.00
E. Ordway	Member	\$710	17.60	\$12,496.00
S. Cunningham	Member	\$710	5.70	\$4,047.00
R. Frezza	Member	\$625	75.00	\$46,875.00
C. Stryker	Consultant	\$525	4.10	\$2,152.50
J. Dolan	Consultant	\$420	74.30	\$31,206.00
R. Esquivel	Consultant	\$350	22.00	\$7,700.00
M. Desalvio	Research	\$170	0.50	\$85.00
N. Backer	Paraprofessional	\$110	3.60	\$396.00
For the Period 7/1/09 through 7/31/09			205.90	\$107,158.50

W.R. Grace & Co.
Capstone Advisory Group, LLC
Summary of Fees by Task Code
For the Period 7/1/09 through 7/31/09

Task Code	Task Description	Hours	Fees
01. Acquisitions/Divestitures	During the Fee Application period, the Applicant read and analyzed motions regarding certain asset sales, performed various analyses and prepared reports to Committee thereon.	48.10	\$23,320.00
03. Claims Analysis & Valuation	During the Fee Application period, the Applicant prepared various analyses of claim settlements and prepared various accrued interest scenarios in relation to the POR and Disclosure Statement.	9.00	\$4,881.00
04. Creditor Committee Matters	During the Fee Application period, the Applicant read and analyzed recent docket submissions and counsel reports regarding the POR, hearings and trials, and participated in Committee meetings.	13.10	\$7,145.00
07. Fee Applications & Invoices	During the Fee Application Period, the Applicant prepared the April, May and June monthly statements, as well as the 22 nd Quarterly fee application.	6.60	\$1,656.00
08. Financial Analysis - Schedules & Statements	During the Fee Application Period, the Applicant analyzed data regarding the monthly results as well as SEC filings.	5.90	\$3,232.00
15. Plan & Disclosure Statement	During the Fee Application Period, the Applicant prepared solvency and feasibility analyses and prepared reports thereon. The applicant also analyzed solvency and feasibility reports prepared by Debtors' financial advisors.	122.70	\$66,839.50
21. Research	During the Fee Application period, the Applicant researched trading debt pricing for feasibility analyses.	0.50	\$85.00
For the Period 7/1/09 through 7/31/09		205.90	\$107,158.50

W.R. Grace & Co.
Capstone Advisory Group, LLC
Detailed Time Description by Task Code
For the Period 7/1/09 through 7/31/09

Date	Professional	Hours	Detailed Time Description
01. Acquisitions/Divestitures			
7/16/2009	E. Ordway	1.10	Analyzed data related to Pegasus sale and listed items for staff to investigate.
7/16/2009	J. Dolan	0.30	Developed request for additional information regarding Pegasus asset sale.
7/16/2009	J. Dolan	2.00	Reviewed presentation materials related to Pegasus sale and participated in call with the Debtors and Blackstone.
7/16/2009	J. Dolan	1.80	Reviewed asset sale notice related to Pegasus sale and related agreement.
7/17/2009	J. Dolan	0.90	Prepared for and participated in call with the Debtors regarding asset sale in Atlanta, GA.
7/17/2009	J. Dolan	0.80	Discussed asset sale with counsel.
7/17/2009	R. Frezza	1.40	Prepared for and participated in call with company re: \$880k asset sale; further debrief with counsel.
7/20/2009	J. Dolan	1.50	Prepared report to the Committee regarding Atlanta asset sale.
7/20/2009	R. Frezza	0.80	Finalization of counsel memo on de minimis sale of Atlanta property.
7/20/2009	E. Ordway	0.60	Read and analyzed counsel's memo - re: sale of property in GA.
7/20/2009	E. Ordway	0.40	Directed staff in preparation of asset sale report.
7/23/2009	J. Dolan	1.60	Read and analyzed motion related to Project Pegasus sale.
7/23/2009	J. Dolan	2.70	Read and analyzed purchase agreement related to Pegasus sale.
7/23/2009	J. Dolan	2.10	Read and analyzed unredacted order related to Pegasus order.
7/23/2009	J. Dolan	1.10	Read and analyzed affidavits associated with Pegasus sale.
7/24/2009	S. Cunningham	3.10	Read and analyzed Project Pegasus.
7/24/2009	E. Ordway	2.30	Reviewed information related to Pegasus sale and outlined items to be analyzed and investigated.
7/24/2009	J. Dolan	2.40	Continued reading and analyzing the purchase agreement related to Pegasus sale.

Date	Professional	Hours	Detailed Time Description
7/24/2009	J. Dolan	1.90	Read and analyzed Exhibits and Schedules related to the Pegasus sale agreement.
7/24/2009	J. Dolan	1.50	Developed information request for Debtors related to Pegasus sale.
7/25/2009	J. Dolan	0.80	Prepared information request to Debtors related to Pegasus sale and incorporated counsel requests.
7/27/2009	J. Dolan	3.60	Prepared report to the Committee related to Pegasus sale.
7/28/2009	J. Dolan	3.20	Continued preparing report to the Committee related to Pegasus sale.
7/28/2009	J. Dolan	3.60	Prepared analyses of Pegasus sale and included in report to the Committee along with related commentary.
7/29/2009	J. Dolan	1.20	Continued preparing report to the Committee related to Pegasus sale.
7/29/2009	J. Dolan	0.80	Prepared for and participated in call to discuss Pegasus sale.
7/29/2009	R. Frezza	1.70	Reviewed Pegasus motion and responses to our questions; prepared for and participated in conf call with company and counsel re deal points.
7/29/2009	R. Frezza	0.70	Completed report related to Pegasus transaction.
7/30/2009	J. Dolan	2.20	Finalized Pegasus report to the Committee incorporating internal comments.
Subtotal		48.10	
03. Claims Analysis & Valuation			
7/8/2009	E. Ordway	0.70	Read and analyzed counsel's report - re: NJEPA settlement.
7/8/2009	E. Ordway	0.60	Analyzed impact of settlement with NJEPA to cash flow and creditor claims pool.
7/9/2009	E. Ordway	0.20	Communicated with Committee Chair - re: NJEPA settlement.
7/10/2009	R. Frezza	1.30	Reviewed trial brief for counsel; read settlement motion memo provided by counsel.
7/10/2009	E. Ordway	0.60	Read counsel's report - re: insurance policy settlements.
7/10/2009	J. Dolan	0.30	Read and analyzed counsel's memo on asbestos insurance settlements.
7/13/2009	J. Dolan	1.10	Read and analyzed asbestos insurance settlement with Royal Parties.
7/21/2009	R. Frezza	1.10	Prepared for and participated in committee conf call related to claims settlement issues and potential change in ongoing treatment.
7/21/2009	J. Dolan	0.90	Prepared various interest calculations through Dec. 31, 2009 for counsel.

Date	Professional	Hours	Detailed Time Description
7/23/2009	J. Dolan	1.20	Participated in conference call with Lender related to interest calculations.
7/26/2009	J. Dolan	0.50	Reviewed interest calculations related to additional pre-petition interest.
7/27/2009	J. Dolan	0.50	Reviewed interest calculations with Lender.
Subtotal		9.00	
04. Creditor Committee Matters			
7/1/2009	E. Ordway	0.60	Read counsel's memo and related documents pertaining to Class 9 impairment and Insurance issues.
7/6/2009	J. Dolan	0.70	Discussed request list for brief with counsel.
7/8/2009	E. Ordway	0.80	Communicated with Paul Weiss - re: pre-trial brief issues/questions.
7/9/2009	R. Frezza	0.80	Discussions with counsel re: settlement strategies and committee reaction.
7/10/2009	E. Ordway	1.80	Read and analyzed trial brief.
7/10/2009	J. Dolan	0.80	Read and analyzed counsel's memo regarding settlement of appeals.
7/13/2009	J. Dolan	1.30	Read and analyzed recent docket submissions.
7/16/2009	J. Dolan	0.50	Read and analyzed recent docket submissions.
7/17/2009	E. Ordway	1.90	Read and analyzed supplemental pre-trial brief.
7/17/2009	J. Dolan	1.60	Read and analyzed Joint Supplemental Brief addressing Phase I issues.
7/20/2009	J. Dolan	0.40	Read and analyzed recent docket submissions.
7/21/2009	J. Dolan	1.10	Prepared for and participated in Committee call.
7/21/2009	J. Dolan	0.80	Read and analyzed pre-trial submission related to Phase II hearing.
Subtotal		13.10	
07. Fee Applications & Invoices			
7/13/2009	J. Dolan	0.80	Prepared April fee application.
7/15/2009	N. Backer	1.30	Prepared June fee statement.
7/15/2009	N. Backer	1.40	Prepared May fee statement.
7/15/2009	J. Dolan	1.10	Prepared May fee application.

Date	Professional	Hours	Detailed Time Description
7/16/2009	J. Dolan	1.10	Prepared June fee application.
7/28/2009	N. Backer	0.90	Prepared Quarterly fee application documents.
Subtotal		6.60	
08. Financial Analysis - Schedules & Statements			
7/9/2009	E. Ordway	0.40	Read and analyzed May operations report and summarized data for staff to follow-up on .
7/10/2009	J. Dolan	2.10	Read and analyzed May operating reports and financials.
7/10/2009	S. Cunningham	0.30	Reviewed monthly financial statement.
7/15/2009	J. Dolan	1.20	Read and analyzed recent SEC filings.
7/17/2009	E. Ordway	1.90	Continued to read and analyze monthly operating report.
Subtotal		5.90	
15. Plan & Disclosure Statement			
7/6/2009	R. Frezza	2.10	Prepared for and participation in conf calls with counsel re: data requests on solvency issues; began analyses as requested by lenders.
7/7/2009	R. Frezza	1.50	Prepared Solvency analyses at request of counsel.
7/8/2009	R. Frezza	1.50	Continued preparing Solvency analyses at request of counsel; reviewed asbestos documents sent by counsel.
7/13/2009	J. Dolan	2.90	Prepared analyses as directed by counsel regarding solvency.
7/13/2009	R. Frezza	1.90	Continued support to counsel on solvency and trial brief info.
7/14/2009	R. Frezza	2.10	Began expert report research re: solvency per counsel; other discussions with counsel.
7/14/2009	J. Dolan	1.10	Discussed solvency analysis and related issues with counsel.
7/14/2009	J. Dolan	3.20	Prepared analysis related to solvency and feasibility.
7/15/2009	R. Frezza	0.80	Began expert report research re: solvency per counsel; other discussions with counsel.
7/17/2009	R. Frezza	1.20	Research on solvency report.
7/20/2009	R. Frezza	1.10	Discussed with counsel and began analyses on solvency position.

Date	Professional	Hours	Detailed Time Description
7/20/2009	E. Ordway	0.90	Prepared and edited data related to solvency considerations.
7/21/2009	J. Dolan	3.60	Prepared analyses at the request of counsel related to solvency and feasibility.
7/21/2009	R. Frezza	2.30	Conceptualized and analyzed solvency of Company at various dates.
7/22/2009	R. Frezza	4.30	Prepared Solvency detail analyses and report drafting.
7/23/2009	R. Frezza	2.70	Prepared Solvency detail analyses and report drafting.
7/23/2009	E. Ordway	1.20	Drafted and edited report on solvency.
7/24/2009	J. Dolan	0.90	Prepared analyses at the request of counsel related to solvency.
7/24/2009	E. Ordway	0.50	Reviewed preliminary draft of solvency report.
7/24/2009	R. Frezza	2.60	Draft Solvency report along with related analyses.
7/24/2009	R. Frezza	3.20	Prepared analyses for solvency report.
7/25/2009	R. Frezza	1.90	Read and analyzed Zilly Solvency report and related docs; had conversations with counsel re: expert testimony on solvency.
7/26/2009	J. Dolan	1.30	Read and analyzed the Debtors solvency brief and status report.
7/26/2009	J. Dolan	1.20	Read and analyzed P. Zilly feasibility report.
7/26/2009	J. Dolan	0.90	Prepared solvency analysis at the request of counsel and discussed internally.
7/27/2009	R. Frezza	3.20	Continued drafting report on behalf of counsel.
7/27/2009	C. Stryker	1.10	Solvency determination review.
7/27/2009	R. Esquivel	3.10	Read and analyzed recent public filings including Form 10Qs to assist in developing financial model for feasibility report.
7/27/2009	R. Esquivel	1.70	Read and analyzed feasibility report to assist in developing financial model.
7/27/2009	R. Esquivel	3.20	Read and analyzed recent public filings including the 10k to assist in developing financial model for feasibility report.
7/27/2009	R. Frezza	2.70	Detailed solvency research and analysis involving review of POR and Disclosure statement, Pam Zilly Feasibility Report and other related documents.
7/28/2009	R. Frezza	4.40	Prepared commentary for solvency report and related analyses.
7/28/2009	R. Esquivel	3.90	Read and analyzed previously issued reports by Capstone as well as market research on industry and competitors to assist in feasibility report.

Date	Professional	Hours	Detailed Time Description
7/28/2009	C. Stryker	2.10	Reviewed solvency determination and participated in conference call with attorneys.
7/28/2009	R. Frezza	4.50	Detailed solvency analyses and related report drafting.
7/28/2009	R. Esquivel	2.10	Compiled historical financial information by quarter and prepared a financial model for feasibility report.
7/28/2009	J. Dolan	1.70	Prepared solvency analysis at the direction of counsel.
7/29/2009	J. Dolan	1.60	Prepared solvency report and discussed with counsel.
7/29/2009	R. Esquivel	2.90	Read and analyzed market research on industry and competitors to assist in developing financial model for feasibility report.
7/29/2009	R. Frezza	3.30	Continued analyses and commentary for solvency report.
7/29/2009	B. Bingham	2.20	Assistance with solvency work for R. Frezza.
7/29/2009	R. Frezza	4.50	Detailed solvency analyses and related report drafting.
7/30/2009	J. Dolan	0.70	Prepared solvency analysis at the request of counsel.
7/30/2009	R. Frezza	3.60	Continued research and report drafting re: solvency expert report.
7/30/2009	R. Frezza	3.30	Continued research and analyses for inclusion in solvency expert report.
7/30/2009	B. Bingham	0.90	Read and analyzed draft solvency report.
7/30/2009	E. Ordway	1.10	Reviewed preliminary draft of outline of solvency report.
7/31/2009	J. Dolan	1.20	Prepared solvency analysis at the request of counsel.
7/31/2009	C. Stryker	0.90	Reviewed solvency analysis.
7/31/2009	R. Esquivel	5.10	Created a financial model for feasibility analysis.
7/31/2009	S. Cunningham	2.30	Read and analyzed Solvency Analysis.
7/31/2009	R. Frezza	4.30	Continued research and analysis on solvency.
7/31/2009	R. Frezza	4.20	Continued report drafting and revisions.
Subtotal		122.70	
21. Research			
7/21/2009	M. Desalvio	0.50	Researched trading debt pricing for feasibility analyses.
Subtotal		0.50	
Total Hours		205.90	

W.R. Grace & Co.
Capstone Advisory Group, LLC
Expense Detail
For the Period 7/1/09 through 7/31/09

Date	Professional	Detail	Amount
Telecom			
7/13/2009	Telecom	July Telecom - Saddle Brook Office	\$407.68
Subtotal - Telecom			\$407.68
For the Period 7/1/09 through 7/31/09			\$407.68